



# Economic Affairs Committee backs plan to update online payment rules

Committees Committee on Economic and Monetary Affairs [20-02-2014 - 12:43]

**Rules governing online payments by electronic transfer need an EU-wide update to improve security, reduce processing fees and widen consumer choice, said Economic and Monetary Affairs Committee MEPs endorsing draft legislation to this end on Thursday. The new rules would also encourage competition to provide payment services and innovative payment methods.**

Today's rules would have to be modernised to keep pace with technical progress, market developments and the constantly growing number of payments executed online. The new ones would give online payment service users a uniform set of rights, of which they would have to be informed.

## Safer payments

Under the new rules, payment service users would have to be told what information, such as a unique identifier, must be provided in order to execute the payment. All charges, execution times, contact information and where applicable exchange rates, would have to be clearly stated.

Unauthorised payments would have to be refunded within a maximum within 24 hours of their being noticed. Clients could be obliged to bear the losses resulting from the use of a lost or stolen payment card or device up to a maximum of €50.

Institutions providing payment services would have to be authorised by a member state, after meeting the security requirements laid down in the legislation and would have to be insured. Member states would have to establish a public register of such institutions.

## Cost control

Payment service providers would be required to disclose the actual cost of processing payments on request, decided MEPs. Payers and payees would be required to pay the charges levied by their respective service providers.

Member states would have to ensure that the charges imposed on the payee do not exceed the service charges, to be laid down in forthcoming EU rules, for using a specific payment device or means of execution (see today's press release on card fees).

## Widening consumer choice

A payer using an online account would have the right to use payment software or devices provided by an authorised third party and have his payments executed on his behalf by this provider.

## Next steps

This committee vote consolidates Parliament's position. The rules will be put to vote by a full house during one of the upcoming parliamentary sessions.

# Press release

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